

Finance Performance – Overall the finance function has continued to deliver a high quality service to both internal and external customers whilst taking the largest percentage of budget reductions of any directorate. The service has achieved improvements in the level of sickness, has achieved the vast majority of MTFS reductions and has proactively sought alternatives where original commitments have become unachievable – the picture is therefore more positive than a simple RAG status would indicate. The one area of genuine concern remains delays in launching online Council Tax and Benefits service. This is currently targeted for Q2 2017-18

Commitments 2016-17	RAG – current progress against commitment			
	Total	Red	Amber	Green
Year End 2016-17 Directorate Commitments to delivering Corporate priorities				
Priority One – Supporting a successful economy	0	0	0	0
Priority Two – Helping people to be more self reliant	1	0	1	0
Priority Three – Smarter use of resources	5	2	0	3

All Indicators (incl. Finance and sickness PIs)		National Indicators	
Performance vs Target	Trend vs Year end 2016-17	Performance vs Target	Trend vs Year end 2016-17
	<p>↑ 5</p> <p>↓ 0</p> <p>↔ 2</p>	<p>■ >10% off ■ <10% off ■ on track</p>	<p>■ up ■ down ■ same</p>

Finance

Revenue Budget

- The net revenue budget for the Chief Executives (inc Finance) for 2016/17 is **£4.268m**
- The current year-end outturn is **£3.467m** meaning an actual **underspend of £801k**

Efficiency Savings

Savings (£000)	2016-17	%
Savings Target	217	100%
Likely to be achieved	187	86%
Variance	30	14%

Additional financial information is provided at the end of the report.

Human Resources

Staff Number (FTE)

2015-16	2016-17
126.08	118.53

Sickness

Sickness Absence Q4 (cumulative - days per FTE)

Sickness Absence at Q4 - Long Term / Short Term

Improvement vs prior year, however, comparative sickness rates for 2015-16 are likely to be an outlier due to restructuring in the accountancy and financial planning team during the year. Despite apparent shift, key area of focus remains Long Term absence, which is very proactively managed, however there remain a small number of cases which have a significant impact on overall performance.

Implications of Financial Reductions on Service Performance and

High Corporate Risks

other Key Issues/challenges

All reductions have been delivered with the exception of online services, for which recurrent alternatives have been identified through management restructures, one of which was completed during the year, and the other is currently in consultation phase.

Risk	Improvement Priority	Likelihood	Impact	Overall
Making the cultural change necessary to deliver the MTFS	Links to all	6	4	24
Welfare Reform	Links to all	6	3	18
Equal Pay Claims	Corporate Governance	4	4	16

KEY:

Commitments		Performance Indicators (RAG)		Performance Indicators (Trend)		Performance Indicator types
Red	Most key milestones are missed	Red	Performance is worse than target by 10% or more	↑	Performance improved vs same quarter of previous year	NSI: National Strategic Indicator (no longer statutory)
Amber	Most key milestones are on track, but some are at risk	Amber	Performance is worse than target by under 10%	↔	No change in performance vs same quarter of previous year	PAM: Public Accountability Measure
Green	All key milestones are on track. No reason for concern	Green	Performance is equal to or better than target	↓	Performance declined vs same quarter of previous year	CP: Corporate Plan Indicator

IMPROVEMENT PRIORITY TWO: HELPING PEOPLE TO BE MORE SELF RELIANT

Code	Action Planned	Status	Comments	Next Steps (for amber and red only)
P2.4.1	Develop capacity of the third sector by finding new ways of working together	AMBER	Joint working group with Citizens Advice Bureau set up to explore welfare reform impacts in the County Borough. Factbase developed which identified greatest risk as implementation of Personal Independence Payments, and opportunity for third sector activity to mitigate this. Draft Specification developed, procurement process commenced with target contract commencement October 2017.	

IMPROVEMENT PRIORITY THREE: SMARTER USE OF RESOURCES

Code	Action Planned	Status	Comments	Next Steps (for amber and red only)
P3.1.1	Implement the planned budget reductions identified in the 2016-17 budget	GREEN	All reductions delivered except online services (6 month delay) – alternatives delivered through management restructure, to complete June 2017.	
P3.1.2	Identify and take forward at least three new income generation initiatives	RED	Corporate target to be progressed as 2017-18.	
P3.2.1	Develop a range of automated and online services that are easy for citizens to use	RED	The project has experienced delays which took 'go live' beyond year end cut off for Council Tax and housing benefit systems. Currently carrying out user acceptance testing part 2. However there is a 10 week lead time for a necessary upgrade to the payment portal. Based on current status, targeting go live in Q2 2017-18.	
P3.2.2	Move most common internal processes to automatic to reduce transaction costs and streamline processes	GREEN	Significant improvements delivered through increased use of feeders. Further efficiencies to be implemented from a more streamlined end to end procurement solution in 2017-18.	
P3.4.1	Support Managers through organisational change	GREEN	Workshops held – channel shift viewed positively and supported by staff. CIPFA traineeship funding through earmarked reserve, recruitment summer 2017, training to commence September 2017.	

PERFORMANCE INDICATORS

Value for money

PI Ref No	PI Description	Annual target 16-17 £'000	Performance as at Year end						Comments
			Red		Amber		Green		
			£'000	%	£'000	%	£'000	%	
FIN3.1.1ii Priority 3	Value of planned budget reductions achieved (Chief Executive and Finance)	217	30	14%	0	0%	187	86%	Quarterly. Shortfall in budget reductions realised of £20,000 due to delay in putting council tax and benefits on-line. Savings were made elsewhere in the service to offset. A restructure in 2017-18 will achieve the required savings.

PI Ref No, PI Type, (Former NSI/PAM/Local) link to Corp Priority	PI Description and preferred outcome	Annual Target 15-16	Annual Target 16-17	Year end 16-17 Cumulative & RAG	Trend v Year End 16-17	Wales Average 15-16 (former NSI/PAMs)	BCBC Rank 15-16 (former NSI/PAMs)	Comments
Value for Money (V)								
FIN3.1.1 Local IP3	Value of proposed reductions to corporate budgets <i>Higher preferred</i>	n/a	938,000	938,000	n/a	n/a	n/a	Annual Indicator (new)
FIN3.1.2.2 Local IP3	Net cost for card payments <i>(none)</i>	n/a	0	0	n/a	n/a	n/a	Annual Indicator (new) This was removed following a European judgement on the charging of fees on credit cards and the re-tendering of the cash receipting system where the fees being charged to the Council was reduced.
FIN3.1.2.3 CP IP3	The number of new income generating initiatives in place and income generated <i>Higher preferred</i>	n/a	3	0	n/a	n/a	n/a	Annual Indicator (new). To be developed within the commercialisation programme.
FIN3.2.2.1 Local IP3	Percentage of invoices processed through digital purchase to pay (P2P) process <i>Higher preferred</i>	n/a	10	0	n/a	n/a	n/a	Annual Indicator (new). There have been delays in implementing the Basware system as a result there have been no invoices via a true eProcurement system though there has been a large rise in invoices processed via Feeder Systems. Efficiencies were gained elsewhere through the feeder process during 2016/17, with the Basware solutions planned to go live in 2017-18.
FIN3.2.2.2 Local IP3	Number of schools still using cheque book process <i>(none)</i>	n/a	0	9	n/a	n/a	n/a	Annual Indicator (new) A review was undertaken of the pros and cons of schools having their own bank accounts, both to the school and to the local authority. The outcome of the review was that there were benefits from having separate school bank accounts, but that changes would be made to introduce school to BACS through the Barclays system. Schools would benefit from using fewer cheques and it would be a more efficient process. This process is underway. In summary, the objective has been realised, but through modernising rather than removing the chequebook process.

Service user outcomes (O)								
DRE6.12.1 Local Other	Average time (days) taken to process housing benefit (HB and council tax benefit (CTB) new claims <i>Lower preferred</i>	17	17	12.49	↑15.10	n/a	n/a	Target Setting: National target
DRE6.12.2 Local Other	Average time (days) taken to process housing benefit (HB and council tax benefit (CTB) change events <i>Lower preferred</i>	10	9	4.06	↑5.38	n/a	n/a	Target Setting: Target based on previous year's target and actual value
FIN2.4.1 Local IP2	Number of citizens supported by new arrangements <i>Higher preferred</i>	n/a	TBC	0	n/a	n/a	n/a	Annual Indicator (new) 2016-17 was to be the baseline setting year for this new indicator. Procurement to take place Q2 2017-18.
FIN3.1.2.1 Local IP3	Total value of investments made in new financial instruments <i>(none)</i>	n/a	£2 million	£0	n/a	n/a	n/a	Annual Indicator (new) - The use of new financial instruments is dependent on the establishment of a Custody Account. The legal terms and conditions need to be assessed prior to sign up and as a result, it is not envisaged that new financial instruments will be able to be used before the last quarter of the year
DRE6.2.3 Local IP3	Percentage of undisputed invoices paid within 30 days (OA)	95%	95%	95.86%	↑95.06	n/a	n/a	
Organisational Capacity (C)								
CHR002vii PAM IP3	Number of working days per full time equivalent lost due to sickness absence (Finance) <i>Lower preferred</i>	9.78	9.78	9.15	↑11.07	n/a	n/a	Positive progress made, largely due to greater team stability vs widespread restructures in the previous year. The figure is heavily impacted by a very small number of extended sickness absences, all of which are proactively managed according to the corporate policy
FIN3.4.1 Local IP3	Number of working days lost to industrial injury (Finance) per FTE <i>Lower preferred</i>	0.06	0	0	↔0	n/a	n/a	
FIN3.4.2 Local IP3	Number of industrial injury incidents (OaPs) <i>Lower preferred</i>	3	0	0	↔0	n/a	n/a	
Internal Processes (P)								
DRE6.2.2 Local Other	Percentage of feeder invoices over all invoices processed <i>Higher preferred</i>	60%	60%	71.92%	↑61.41%	n/a	n/a	Significant positive progress made which continues to free up staff capacity
FIN3.2.1 CP IP3	Percentage of Council Tax customers accessing on-line service through "my account" <i>Higher preferred</i>	n/a	30%	0%	n/a	n/a	n/a	Annual indicator (new). Project progress made, but delays to implementation as per commentary above
FIN3.2.2 CP IP3	Number of services that are available to the public online <i>Higher preferred</i>	n/a	6	0	n/a	n/a	n/a	Annual indicator (new). Project progress made, but delays to implementation as per commentary above

Additional Financial Information – Main Revenue Budget Variances

The net budget for the Directorate for 2016-17 was £4.268 million and the actual outturn was £3.467 million and the actual outturn was £3.467 million, following draw down of £58,000 from earmarked reserves, resulting in an under spend of £801,000. The most significant variances are:

CHIEF EXECUTIVE AND FINANCE	Net Budget £'000	Projected Outturn £'000	Variance Over/(under) budget £'000	% Variance
Chief Officers	645	508	(137)	-21.2%
Housing Benefit Administration	696	485	(211)	-30.3%
Housing Benefit Payments	52	(368)	(420)	-807.7%

Chief Officers

- The under spend mainly relates to the vacant staffing budget following the departure of the Corporate Director Resources. This was included in MTFs budget reductions for 2017-18.

Housing Benefit Administration

- There is an under spend in respect of the administration of housing benefit arising mainly from staffing vacancies, but also additional grant income. The 2016-17 budget pressure in relation to the new Emmaus facility was reviewed in quarter 3 and reduced by £100,000 and returned to the corporate budget.

Housing Benefit Payments

- The gross budget is £48.478 million, which is offset by £48.427 million of income, the majority of which is housing benefit subsidy. There is an under spend in respect of the payment of housing benefit of £420,000. This comprises additional recovery of over-payments, totalling £245,000, and £180,000 under spend arising from the need for a lower provision for bad debt following successful debt recovery.

Additional Financial Information – Budget Reduction Monitoring Variances

Budget Reduction Proposal	Original 2016-17 £000	Amount of savings achieved £000	Comment
To put Council Tax and some aspects of benefits online and to collaborate with others	60	30	Savings made elsewhere in 16-17 (Housing Benefit Admin under-spend), restructure in 17-18 will achieve the £30k annual saving.

Additional Sickness Information



Unit	FTE 31.03.2017	Number of FTE days lost	No. of Absences	Days per FTE	Number of FTE days lost	No. of Absences	Days per FTE	Cumulative Days per FTE 2016/17	Cumulative Days per FTE 2015/16	Target 2016/17
Benefits and Financial Assessments	39.99	83.41	18	2.11	118.99	18	2.98	9.72	12.88	9.78
Finance	53.17	120.33	16	2.00	100.77	16	1.90	5.88	9.38	
Revenues	24.37	61.00	20	2.31	55.69	11	2.29	15.25	12.14	
FINANCE DEPARTMENT	118.53	264.75	54	2.10	276.44	46	2.33	9.15	11.07	

Number of FTE days lost by absence reason - Q4		
Finance		
Absence Reason	Number of FTE days lost	% of total days lost
Chest & Respiratory	3.00	1.09%
Eye/Ear/Throat/Nose/Mouth/Dental	6.19	2.24%
Genitourinary / Gynaecological / Pregnancy	30.96	11.20%
Infections	35.00	12.66%
MSD including Back & Neck	11.00	3.98%
Neurological	53.77	19.45%
Stomach / Liver / Kidney / Digestion	20.50	7.42%
Stress / Anxiety / Depression / Mental Health	112.03	40.52%
Tests / Treatment / Operation	4.00	1.45%
TOTALS	276.44	100%